



PRESIDENZA DEL CONSIGLIO DEI MINISTRI
DIPARTIMENTO PER GLI AFFARI EUROPEI
NUCLEO DELLA GUARDIA DI FINANZA PER LA REPRESSIONE DELLE FRODI NEI CONFRONTI
DELL'UNIONE EUROPEA

Comitato per la lotta contro le frodi nei confronti dell'Unione Europea

Sheet No. 2

Data on action to protect the financial interests of the European Union.

The sheet refers to the data contained in the **European Commission's BIP Report** for 2022 and presented in July 2023, which are based on the communications that Member States send to the Commission via the appropriate IT communication channels set up by the Commission, such as, for the expenditure area, the *Irregularity Management System (IMS)* and, for budget revenue, *OWNRES*.

These systems deal with the reporting of irregularities and fraud, both consisting of violations of European provisions or national implementing rules resulting in damage to the EU budget, with the difference that irregularity, as opposed to fraud, is not intentional.

According to current European legislation, these reports are to be forwarded by the Member States to the European Anti-Fraud Office when they become **concrete**.

According to the guidelines drawn up in 2019 by COLAF, this requirement is identified in the **first administrative or judicial report** in which the competent authority ascertains the complete and actual existence of an irregularity or fraud; for **criminally relevant cases, based on** the guidance issued at the time by the Ministry of Justice, the reporting obligation arises with the **request for indictment**.

All this implies that the data emerging from the IMS and OWNRES systems may not coincide with, for instance, police data, which may instead include complaints and/or ongoing investigations.

With regard to the **method of analysis**, the European Parliament, in its resolution of 19 January 2023, stated that comparisons of irregularity and fraud data from individual years may be of little significance, and that **analyses on a multi-year basis are** preferable.

With this in mind, we briefly mention the **European figure** which shows that, in **2022**, the **27 Member States** reported **11,431 cases of irregularities/fraud**, worth EUR **1,667,415,528**, to OLAF in relation to **Cohesion Policy and Fisheries, Common Agricultural Policy and Own Resources**.

Of these, **40.78%** related to **Own Resources**, **35.52%** to the **Common Agricultural Policy** and **23.71%** to **Cohesion and Fisheries Policy**.

Of these 11,431 cases, **99.44%**, i.e. 10,338 cases, concerned **irregularities** and, therefore, unintentional violations, while **cases of fraud** amounted to **9.56%**, referring to 1,093 reports.

As far as our country is concerned, the number of cases of irregularities and fraud reported in 2022 amounted to **514**.

Of these, **307** are related to the **Common Agricultural Policy**, accounting for **59.73% of the total**; this is followed by the **Cohesion and Fisheries Policy** with **111 reports (21.60% of the total)** while **96 (18.68% of the total)** are those related to the **Own Resources** sector.

It should be noted that, in line with the trend that has emerged at European level, the majority of the reports in question concern **cases of irregularities (461)** - expressing, as repeatedly pointed out, unintentional and therefore less serious violations - which account for **89.69%** of the total number of reports sent in the year, while cases of fraud (53) amount to **10.31%**.

In financial terms, the total **amount** involved in the reporting of irregularities/fraud cases in Italy in 2022 is EUR **71,760,055**.

Looking at **the last five-year period 2018-2022**, the trend, already recorded in 2021, of **national data in 2022** being **below the corresponding average values of the reference period** is confirmed.

This is noted first of all with regard to the total number of cases registered in 2022, which is still **20.56%** below the average value recorded over the last five years, which is **647 cases**.

Also in financial terms, the total value remains more than **14%** below the average value recorded over the last five years, which was EUR **83,569,379**.

Turning now to a **comparison with European data**, it can be observed that, with reference to the general data on irregularities and fraud in the **Common Agricultural Policy, Cohesion and Fisheries Policy and Own Resources**, Italy **ranks**, among the 27 countries, 9th in terms of both cases discovered in 2022 and amounts, with an incidence of **4.50%** and **4.30%** of the total, respectively.

Considering the two 'macro-areas' into which the items of the EU budget are divided - i.e., **revenue and expenditure** - with reference to **Own Resources**, Italy still **ranks ninth** for the number of cases of irregularities/fraud among the 27 EU countries, with a percentage incidence on the total number of cases of **2.06%**, while on the **expenditure** side, i.e. the sum of funding from the **Cohesion and Fisheries Policy and the Common Agricultural Policy**, Italy ranks **eighth in terms of the number of cases of irregularities/fraud** reported in 2022, with a percentage incidence on the total number of cases at European level of **6.17%**.

With specific reference to reports concerning **EIS funds** alone, Italy, with 105 reports, **ranks ninth** out of the other European countries with an incidence of **3.90%** of the total.

It should also be noted that in the specific area of **Cohesion Policy**, **all the cases** reported by Italy in **2022** are related to **non-fraudulent irregularities**, although for **8** of the 105 cases reported, although still registered as irregularities, criminal proceedings are at an early stage that could, in perspective, lead to a change in the statistical reporting as suspected or ascertained fraud.

As regards, specifically, projects and/or investments traceable to the **PNRR**, data concerning possible frauds are communicated by the **Inspectorate General for the PNRR** at the Ragioneria Generale dello Stato (State General Accounting Department), on the basis of the 'Management Declarations' of the Administrations in charge of measures, forwarded periodically or at the request of the same Ragioneria.

According to the above-mentioned Inspectorate, no fraud was reported in 2022 and the same was true for the first months of 2023.

More recently, cases of fraud were uncovered in Civitavecchia and Camerino, in the Marche region, aimed at unduly receiving PNRR-related resources amounting to several million euro, intended for the development of e-commerce in favour of small businesses.

These are investigations coordinated by the **European Public Prosecutor's Office, which**, according to the data in the latest Report presented, reported a total of **nine PNRR investigations** in our country in 2022.

It is also worth highlighting an investigation conducted by the judicial authorities of Reggio Emilia which, in disrupting a broader criminal design, led to the blocking of a request for funding from PNRR resources of several million euro to support a production site for the manufacture of electric *supercars*.

As far as **organised crime interests are concerned**, and without prejudice to the broader and more precise information that may be provided by the Judicial Authority, the Ministry of the Interior and the Police Forces, it is useful to mention **two important cases** found within the IMS system communications and within the framework of the investigative activity carried out by the COLAF Technical Secretariat for the preparation of the last Report to Parliament; these are widely defined lines of investigation and already known to the chronicles.

The **first** concerns two complex and articulated investigations that were connected and concluded in 2018, which led to the disruption of a mafia-type criminal conspiracy aimed at disrupting public sector tenders, with the execution of 33 arrests on suspicion of crime and the preventive seizure of 54 companies throughout Italy.

The investigations revealed the direct involvement of a business group that had consolidated a position of absolute dominance in the public procurement sector in Calabria by exploiting its ties with a 'ndrangheta gang, systematically managing to disrupt at least 27 tenders called by several contracting authorities, in the period 2012/2015, for a total value of more than EUR 90 million, most of which was financed with European funds.

The **second** line of enquiry concerns the well-known enquiry on the so-called '**Mafia of the Nebrodi**', of 2020, in the context of which it was ascertained how Mafia organisations operating in that area were oriented towards fraudulently obtaining the EU aid provided for in the Rural Development Plan proposed by the AGEA, by committing numerous frauds to the detriment of the EU:

- the use of nominees to obtain financing, circumventing the restrictions arising from anti-mafia legislation, in particular by using 'young farmers';
- the submission of false declarations concerning the actual availability of the land for which subsidies have been requested and the fulfilment of the conditionality requirements of the aid;
- Disturbing the lawfulness of auctions, during tenders for the allocation of publicly owned plots of land for rent;
- the complacency of the operators of the Agricultural Assistance Centres in order to remove or at least limit the controls set up by AGEA.

Finally, and in a general view of all available data pertaining to the protection of the financial interests of the European Union, it is useful to further recall those released, with reference to **2022, by the Office of the European Public Prosecutor** and contained in the "**Annual Report**" published and available on the Office's website www.eppo.europa.eu.

We have already mentioned data showing that our country is providing the most cooperation to the European Public Prosecutor's Office, which explains why Italy had the **highest number of active investigations** carried out by the Office in 2022 (285, of which 265 started in the same year).

With regard to the results of these investigations, it should be made clear that the data presented earlier in this report are in no way comparable with the data in the EPPO Report.

The former, in fact, as already amply explained, refer to cases of irregularities and fraud that have come to light at a fairly advanced stage of the investigations and are therefore characterised by a certain degree of finality (as already pointed out, criminal proceedings require a committal for trial), whereas the data in the EPPO Report expressly refer to 'ongoing investigations'.

Moreover, these results are referred to in the EPPO Report as 'estimated damages', whereas the values presented in this report refer to 'less revenue' or 'more expenditure' from the EU budget, compared to what is due.

Again, with regard to the results, it should be noted that the EPPO Report provides, overall and then for each member country, the detailed amount only for VAT fraud and does not specify to which type of fraud the remaining amount refers.

In particular, for Italy, the Report states that **EUR 3.2 billion of 'estimated damages'** have been detected, for which it is clarified that **EUR 2.7 billion refer to VAT fraud; no indication is given as to the composition of the other EUR 500 million** in which, therefore, could be included values pertaining to smuggling offences, agricultural funds, EIS funds, but also related to corruption and money laundering offences investigated by the European Public Prosecutor's Office.

However, of interest are the data contained in EPPO's Annual Report concerning the distinction of 'cases' that emerged in the investigations that the European Public Prosecutor's Office itself indicates as ongoing in Italy in 2022, below:

- 246 in the field of non-procurement expenditure;
- 157 in the field of VAT fraud;
- 80 on Non-VAT Own Resources;
- 75 on criminal organisations dedicated to crimes within the competence of the European Public Prosecutor's Office;
- 23 on money laundering;
- 19 on corruption;
- 6 relating to expenditure on contracts;
- 3 on embezzlement;
- 93 related to previous offences.